

Mr McAuley
LD 16/4 15/4

137/92
24/4

FROM: DPS/SIR JOHN WHEELER
26 March 1996

ASST 28 30/4
SEC -1 APR 1996
CENT SEC

HEAD OF THE N.I.
5027
28 MAR 1996

UNDER/ SEC 1465/3
29 MAR 1996
CENT SEC

cc PS/Sir John Wheeler (DFP, B&L) - B
PS/Sir David Bell - B
Mr Todd
Mr Crabbe

Mr Semple

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Mr W. H. ...
L. ...

MEETING WITH UUP RE INTERNATIONAL FUND FOR IRELAND - 22 MARCH

The Minister was grateful for the briefing provided for his meeting with a UUP delegation to discuss the work of the International Fund for Ireland on 22 March. The UUP delegation comprised of Mr Nicholson MEP, Mr Clarke and Mr Hurst. Mr Semple provided official support.

2. Following the opening pleasantries Mr Nicholson commented that in the UUP's 'Research Report' on the IFI they had identified serious problems with the funds operation, particularly, discrimination against the Unionist community. Mr Nicholson was disappointed that his 'balanced and constructive' report, 'knowing full well that all Government bodies have faults', was dismissed totally out of hand.

3. Mr Nicholson advised that, Post Anglo Irish Agreement we are now approaching a different situation in Northern Ireland since IFI was initially set up. Increasingly he was receiving complaints that the Unionist community were finding it difficult to obtain funding and redress against refusals for funding. Mr Nicholson stated that a degree of impartiality should be obtained and that we should strive for the creation of worthwhile projects such as those initiated by the European fund. Mr Nicholson was concerned that the Unionist community will not access IFI because of the aura and 'circumstances' placed upon them in their own communities. He would not accept, as proposed by Mr McCarter, that the IFI is totally

impartial and urged the Minister to create the conditions which enabled the Unionist community to access IFI.

4. Mr Nicholson believed that early action was needed in the following areas:

- (a) Review of procedures;
- (b) Criteria set up for disadvantaged areas - there were currently severely disadvantaged areas in Unionist communities which could not access IFI;
- (c) No independent mechanism for review/complaints;
- (d) Free standing funding clearly separate from other funding sources eg LEDU funding created an area of greyness; and
- (e) Public perception of IFI as partisan and would need to receive a broader acceptance.

5. The Minister thanked Mr Nicholson for his views and welcomed his frankness. Sir John understood that the Anglo Irish Agreement had created hurt in certain sections of the community in Northern Ireland, however, we could not rewrite the past. What concerned the Minister was that there should be value for money, taking into consideration the principles of democracy. Mr Semple outlined that the European Union contributions run out in 1997 and American Money which was due in 1996 has yet to arrive. This meant that it was possible that donations to the IFI would come to an end in the near future. In response to Mr Nicholson's query, Mr Semple advised that the IFI could not tap into the European peace package money.

6. At Mr Nicholson's request, Mr Semple explained to the delegation the operation of the fund, including the formulation of policy, through the Chairman, Director and the Advisory Committee (comprising Senior Government Officials with a North/South dimension) and co-funding partnership arrangements with various

Government Departments eg DED in respect of Tourism. The Advisory Committee was there to provide comment on the board's proposals however the final decision was for the Board, in its independent capacity.

7. Mr Nicholson explained that many of the problems which the fund faced were historic and did not reflect on the present Chairman, Mr McCarter. He has indeed passed this message on to Mr McCarter. What concerned him was that there appeared to be a perception that the IFI offices were always in Nationalist areas, manned by individuals and drawing on consultants from the nationalist community. Mr Semple explained that consultants had recently been appointed from the perceived unionist community in East Belfast and Fermanagh.

8. Mr Nicholson noted that ^{there?} these were areas of the unionist community with exceedingly high unemployment, eg the Orangefield area of Armagh, yet they did not qualify under the Disadvantaged Areas initiative. Mr Semple acknowledged that there were indeed pockets of deprivation which were not designated as disadvantaged areas. Mr Hurst enquired if the programme could be flexible to enable access to the fund for applicants meeting part of the criteria. Mr Semple proposed that, as co-chairman of the Advisory Committee, he would be willing to receive information about any such projects, so that their merits could be investigated.

9. Mr Nicholson outlined that there needed to be an independent appeal mechanism to fall back on. Mr Semple explained that the difficulty with this proposal was that there is no formal appeal mechanism from an independent International Body. However he reiterated that both he and the Minister would welcome written representation which they would ensure would be put to the Board. Following on, Mr Semple urged Mr Nicholson to try and ensure that more projects from unionist areas were brought forward to the Fund for consideration. Mr Nicholson felt that there would not be an increase in applications until politicians, like himself, urged local people to approach the fund. However, at this time, he would only be perceived as a 'quisling'.

10. Sir John noted that the perception from the Unionist Community needed to be addressed and the only means for this was to see applications from particular disadvantaged areas succeeding. Mr Semple stated that projects are coming forward in the most deprived areas however not in the 'Middle' deprived areas. Mr Nicholson agreed and commented on the excellent developments in East Belfast and the Shankill. However it was notable that projects in Dungannon, Armagh, Enniskillen and Omagh were not succeeding. Mr Semple queried whether local councillors were active in bringing forward projects within their local areas. Mr Hurst outlined, by way of example, that in his local area of Richill the perception of local councillors was that there is no need, as they have little chance of succeeding.

11. Mr Nicholson suggested, at a recent meeting with Mr McCarter and Mr Todd, that they should meet local unionist councillors and provide a PR initiative on the working of the fund. Mr Clarke advised that this suggestion received a neutral response.

12. Mr Nicholson concluded by asking the Minister to look at this perceived problem and the five action points he outlined at the beginning of the meeting. What the Ulster Unionists were trying to achieve was not political or sectarian point scoring but access to the fund for the 'whole community'.

Way Forward

13. Following the meeting Mr Semple advised that the best way forward would be for DFP to provide a draft letter for the Minister to send to Mr McCarter outlining the points raised by Mr Nicholson, taking cognizance of the fact that the IFI is an independent international body. Mr Semple also undertook to raise their concerns at the Advisory Committee. A copy of this letter, under a suitable covering note, is also to be provided to Mr Nicholson.

Signed

STEVEN McCOURT
Departmental Private Secretary

BB/MOFS/10777